Lock, Fee and SRP Guide

Start Up, MCC (with First Mortgage) and Step Up Programs



LOCKING A LOAN	1						
Rate Sheet	www.mnhousing.gov						
Locking a Loan	Lock loans using Minnesota Housing's <u>online commitment system</u> . Refer to the <u>Loan Commitment System</u> <u>Process Guide</u> for instructions.						
Lock Availability	Business days between 10:00	0 a.m. and 8:00 a.m. the fo	ollowing business day				
	Between 8:00 a.m. and 10:00 a.m. on business days						
Lock-Out Period	• From 5:00 p.m. Friday unt	il 10:00 a.m. the following	business day				
	• From 5:00 p.m. on the weekday prior to an Agency holiday until 10:00 a.m. the following business day						
Rate Lock Period	If your loan is for this pr	rogram	Your rate is locked for				
	Start Up		60 days From the lock date until the day of				
	MCC (with First Mort		45 days re	receipt by the servicer.			
	Step Up		45 days				
		• Lock period is counted in consecutive calendar days, including weekends and holidays. If your lock expires on a weekend or holiday, your lock is extended to the next business day.					
		•					
		 Locks expire at 4:00 p.m. (CST) on the day of expiration The lock period applies to both existing properties and new construction 					
	Rates are based on the ori		na new construction				
	You may not change the b	=	e lock				
Lock Changes	•			orm" via Forms Generator			
	 For allocation or program changes, complete the "Allocation Change Request Form" via Forms Generator in our online commitment system. For other updates or changes, contact the <u>Partner Solutions Team</u>. 						
	in our offine committee	. system. For other update	s or changes, contact the ${ t P}$	arther Solutions Team.			
	Program	30-Day Extension	15-Day Extension	Pass fees on to borrower?			
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	Program Start Up/MMC Step Up • Complete and submit the	30-Day Extension 50 bps 50 bps "Loan Commitment Exten	15-Day Extension 25 bps 25 bps	Pass fees on to borrower? No Yes nline commitment system			
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SERVICER FEES

U.S. Bank Home Mortgage - HFA Division, Minnesota Housing's Mortgage Loan Program servicer, applies the following fees to Start Up, MCC (with First Mortgage) and Step Up loans. Lenders should refer to the underlying product guidelines regarding passing fees onto the borrower and follow industry-standard disclosure requirements:

passing rees onto the software and follow industry standard disclosure requirements.			
First Mortgage Loans	\$85 Tax Service Fee		
Monthly Payment Loans	\$175 Servicing Fee (one-time fee paid at closing)		

ALLOWABLE FEES PAID TO LENDER

MCC-Specific Fees Lenders may collect from the borrower an MCC application fee not to exceed \$150.

SERVICE RELEASE PREMIUM (SRP)					
Customary and reasonable discretionary fees are allowable. The SRP is payable upon sale of the loan to the servicer.					
PRICING OPTIONS	SRP	DETAILS			
1% Origination Fee	1.5%	 Lender may charge an origination fee in accordance with mortgage regulations Lender receives a 1.5% SRP (net any hold fees or extension fees) from the servicer Available with all programs, products and options 			
0% Origination Fee	2.5%	 Lender charges no origination fee Lender receives a 2.5% SRP (net any hold fees or extension fees) from the servicer Available with Start Up and Step Up 30-year mortgages (Government, HFA Preferred™, HFA Advantage⁵M) Not available with 15-year loans or MCC, Preferred Risk Sharing™ or Upfront Paid MI loans 			
Step Up Lender Credit (Refinance)	3.5%	 Lender receives a 3.5% SRP (net any hold fees or extension fees) from the servicer Lender has 3.5 points total to allocate to borrower closing costs and lender compensation Total lender compensation not to exceed 2.5% (including origination, if any) 			
Upfront Paid Mortgage Insurance (UPMI) <u>See Examples</u>	3.5%	 Lender receives a 3.5% SRP (net any hold fees or extension fees) from the servicer Lender retains no more than 1.5% SRP as lender compensation At least 2.0% SRP applied at closing as a credit to the borrower for the upfront mortgage insurance premium and closing costs The amount of lender-retained SRP could vary based on borrower LTV Any additional MI cost charged to the borrower should not be labeled as a "Minnesota Housing" or "mortgage revenue bond" fee and should be disclosed with industry-standard forms Available with conventional insured loans 			

HOLD FEES

The servicer will notify the lender of deficiencies, if any. The lender must clear deficiencies as quickly as possible. The servicer will apply fees until the loan is cured. Fees are calculated based on the number of calendar days from notification of the deficiency to cure. The servicer will deduct hold fees from the purchase price of the loan.

Initial File Review	Grace period
Days 1-10	Grace period (no fee for 10 calendar days after deficiencies are posted)
Days 11-24	0.125% of the loan amount (an additional 0.125% will accrue for every 14 calendar day period until file
	is purchased)

LOAN PURCHASE

The servicer's \$400 Funding Fee is incorporated into the interest rate. Do not charge this fee to the borrower. The servicer will purchase and disburse funds for the following loans that have closed and been "Fund Approved" through Minnesota Housing's commitment system, and have met servicer purchase criteria:

- First mortgage loans net any extension or hold fees, and
- Second mortgage loans if applicable

QUESTIONS: Contact the Partner Solutions Team at mnhousing.solution@state.mn.us or 651.296.8215/800.710.8871 between 7:30 a.m. and 5:00 p.m. on business days. The Partner Solutions Team will respond within two hours during the business day.

